Grants to Village Panchayets for Drinking Water Wells or Village Improvement Works.

READ—

Government Order No. L. 4720-38—L. B. 32-26-24, dated the 20th January 1927, directing among other things that the grants made by Government to Village Panchayets for construction of Drinking Water Wells or Village Improvement Works be treated as absolute and outright grants and credited to Village Panchayet Funds.

2. Paras 92 to 96 of the Audit and Appropriation Report for 1927-28, stating that for reasons explained, it is undesirable to treat the grants as outright.

3. Letter No. C. 4492, dated 24th April 1929, from the Revenue Commissioner in Mysore, stating that there is much force in the reasons given by the Comptroller in the Audit and Appropriation Report referred to above against treating the grants as outright, that he considers it necessary that the sanctioned grants should be drawn only as the works are executed and that some special provision may be made in consultation with the Comptroller, to avoid lapses of grants every year.

ORDER NO. L. 1658-67—V. P. 27-28-30, DATED 31ST AUGUST 1929.

The Comptroller who was consulted in the matter, has stated that he agrees with the Revenue Commissioner regarding the undesirability of treating the grants as outright to the several Panchayets and that to avoid lapses, the unutilised amounts may be funded as in the case of road fund. He has however added that if Government are particular about continuing to treat the grants as outright, it is at least necessary to make certain provisions for ascertaining whether the money is not drawn unnecessarily long in advance of requirements and whether it is being spent on the very work for which the grant was intended.

2. The question was fully considered by the Public Accounts Committee recently who are of the opinion that "in view of the heavy and insistent demand for expenditure on these beneficent services and comparatively small extent of the allotments, the scope for diversion of funds for other purposes is very limited that there is no need to change the existing system at present and that it should be possible to devise measures by which information could be furnished to Audit that the funds have in fact been spent for the purposes for which the grants have been sanctioned."

3. Government agree with the above view and consider that without changing the present system it may be possible to ensure that the sanctioned grants are utilised for the purposes for which they were allotted. Government are accordingly pleased to direct that the existing system of treating the grants as outright be continued. The following suggestions made by the Comptroller for ensuring that the grants are used for the purposes for which they were allotted will be adopted:—

(1) The Panchayets should be instructed that the expenditure on grant-in-aid works should not be mixed up with others but should be shown separately in the Day Books under a separate head.

(2) The Taluk Office should keep an account of the grant-in-aid for each work, showing the date of grant, amount of grant, amount spent during the month, total spent to the end of the month and the balance available, a copy of the statement being sent to the Deputy Commissioner by the 15th of the month following.

(3) The monthly statements received from the Taluks will be consolidated in the Deputy Commissioner's Office once a quarter, showing only totals of talukwar grants, expenditure during the quarter and the balance available, with a list of an analysis of the balance by works and the dates on which the grants were drawn. A copy of this statement and the list will be sent to the Comptroller for audit and another set sent to the Revenue Commissioner who may review the same and submit a copy thereof to Government for information.

4. The Comptroller is requested to issue detailed instructions to the several officers concerned about the proper and correct preparation and submission of the above returns.

B. NARAYANASWAMI IYENGAR,
Offg. *General Secretary to Government.*